

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office OCT-17 1996

Returned to applicant for correction _____

Corrected application filed _____

Map filed _____ OCT 17 1996

The applicant Peter G. Guisti, Bernice C. Guisti, Judith Harvey and Karen Mardian hereby make application for permission to change the Place of Use of water heretofore appropriated under Permit 41826

1. The source of water is Underground Hot Water Well No. 6
2. The amount of water to be changed 10 cfs not to exceed 7240 acre feet annually
3. The water to be used for Industrial and Domestic
4. The water heretofore permitted for Industrial and Domestic
5. The water is to be diverted at the following point SE1/4 SE1/4 Section 29, T18N, R20E, MDM or at a point from which the Southeast corner of said Section 29 bears, S 43°29' E a distance of 470.00 feet.
6. The existing permitted point of diversion is located within SE1/4 SE1/4 Section 29, T18N, R20E, MDM or at a point from which the Southeast corner of said Section 29 bears, S 43°29' E a distance of 470.00 feet.
7. Proposed place of use See attached Exhibit "A"
8. Existing place of use W1/2 NE1/4 SE1/4 and SE1/4 SE1/4 Section 29, T18N, R20E, MDM
9. Use will be from January 1 to December 31 of each year.
10. Use was permitted from January 1 to December 31 of each year.
11. Description of proposed works Drill well to a depth of 5000 feet or less for Steam and Hot Water to be diverted through a pipe system to place of use.
12. Estimated cost of works \$500,000.00
13. Estimated time required to construct works Five Years
14. Estimated time required to complete the application of water to beneficial use Ten Years
15. Remarks: The geothermal fluids will be used for space heat and other similar uses within the Truckee Meadows. The heat to be utilized is to substitute for existing and future fossil fuel uses.

By s/Richard W. Arden, Agent
905 Industrial Way
Sparks, Nevada 89431

Compared lew/gkl cl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use of the waters of an underground source as heretofore granted under Permit 41826 is issued subject to the terms and conditions imposed in said Permit 41826 and with the understanding that no other rights on the source will be affected by the change proposed herein. It is understood that the amount of geothermal fluid herein granted is only a temporary allowance and that the final right obtained under this permit will be dependent upon the amount actually placed to beneficial use. It is also understood that this right must allow for a reasonable decrease of fluid pressure and heat. The well shall be equipped and maintained to prevent any waste of the geothermal fluid. Accurate measurements must be kept of discharge of the production well and the amount of fluid injected into the injection well to determine the total amount of fluid diverted and consumed for a beneficial use.

The production and injection well are to be cemented from the producing levels to the surface to protect fresh water zones. This permit is issued subject to the condition that only geothermal fluids are to be diverted and used beneficially for heating purposes and fresh, cold water aquifers are not to be diverted. The used geothermal fluids are to be returned to the source via the injection well. The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies. A detailed log on the injection well and/or other analyses of the system used for returning the used geothermal fluids to the source must be submitted together with the Proof of Completion.

An annual report for this well must be filed under this permit describing the amount of geothermal fluid diverted and consumed to a beneficial use for the calendar year. This report must detail the amount of fluid produced and injected.

The total withdrawal of the geothermal fluid shall be limited to 7,240.0 acre-feet per year but the total consumptive use of the geothermal fluid is limited to only incidental fluid losses in the system and in no case shall it amount to more than 0.1667 of the volume withdrawn annually. The State Engineer does not waive the right to make a determination of incidental fluid losses at any time and impose additional conditions thereto.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 10.0 cubic feet per second, but not to exceed 7,240.0 acre-feet annually from Permits 41821 through 41825, 62521 and 63288-T combined.

Work must be prosecuted with reasonable diligence and be completed on or before:
January 24, 1999

Proof of completion of work shall be filed before:
February 24, 1999

Application of water to beneficial use shall be filed on or before:
January 24, 2000

Proof of the application of water to beneficial use shall be filed on or before:
February 24, 2000

Map in support of proof of beneficial use shall be filed on or before:
N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,
State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 19th day of September, A.D. 1997


State Engineer

Completion of work filed MAR 23 1999

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

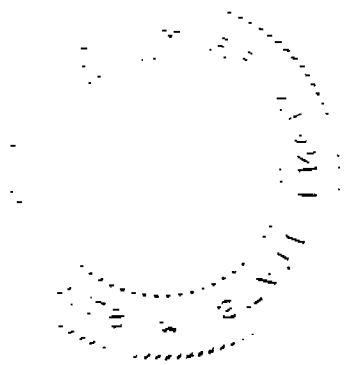


EXHIBIT "A"

Sections 1, 2, 3, 10, 11, 12, 13 and 14, T17N, R19E, MDM.

Sections 3, 4, 5, 6, 7, 8, 9 and 18, T17N, R20E, MDM.

Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36, T18N, R19E, MDM.

Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33 and 34, T18N, R20E, MDM.

Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 34, 35 and 36, T19N, R19E, MDM.

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33 and 34, T19N, R20E, MDM.

Sections 32, 33, 34, 35 and 36, T20N, R19E, MDM.

Sections 31, 32, 33, 34 and 35, T20N, R20E, MDM.

